

State: District of Columbia **Filing Company:** Star Insurance Company
TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package
Product Name: Star-ADAR-202001-CMP Update
Project Name/Number: Star-ADAR-202001-CMP Update /Star-ADAR-202001-CMP Update

Filing at a Glance

Company: Star Insurance Company
Product Name: Star-ADAR-202001-CMP Update
State: District of Columbia
TOI: 05.0 CMP Liability and Non-Liability
Sub-TOI: 05.0003 Commercial Package
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Author(s): Marissa Lineberry
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Disposition Date:
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Effective Date (New):
Effective Date (Renewal):

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General Information

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Project Number: Star-ADAR-202001-CMP Update Domicile Status Comments:
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State Status Changed: Deemer Date:
Created By: Marissa Lineberry Submitted By: Marissa Lineberry
Corresponding Filing Tracking Number:

Filing Description:

Star Insurance Company (Star) writes commercial lines insurance in your state and is a member of ISO.

We are seeking approval of new optional forms our Auto Dismantlers & Recyclers Program (ADAR).

Company and Contact

Filing Contact Information

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Filing Company Information

Star Insurance Company	CoCode: 18023	State of Domicile: Michigan
26255 American Drive	Group Code: 748	Company Type: property and
Southfield, MI 48034	Group Name: AmeriTrust Group	casualty
(248) 358-1100 ext. [Phone]	Inc	State ID Number:
	FEIN Number: 38-2626205	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: District of Columbia**Filing Company:**

Star Insurance Company

TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package**Product Name:** Star-ADAR-202001-CMP Update**Project Name/Number:** Star-ADAR-202001-CMP Update /Star-ADAR-202001-CMP Update

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		CGL Special Broadening Endorsement	2197 GL	0113	END	New			2197 GL 0113 CGL Special Broadening Endorsement.pdf
2		Impaired Property Damage Endorsement	4385 GL	0804	END	New			4385 GL 0804 Impaired Property Damage Endorsement.pdf
3		Special Broadened Property Plus Endorsement	6026 CP	0918	END	New			6026 CP 0918 Special Broadened Property Plus Endorsement (ADAR).pdf
4		Conversion Coverage Endorsement	6083 GL	1019	END	New			6083 GL 1019 Conversion Coverage Endorsement.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CGL SPECIAL BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured Broad Form Vendors	Included
3.	Aggregate Limit per Location	Included
4.	Alienated Premises	Included
5.	Bodily Injury Redefined	Included
6.	Broad Form Property Damage - Borrowed Equipment, Customers Goods & Use of Elevators	Included
7.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
8.	Knowledge of Occurrence	Included
9.	Medical Payments - Increased Limit	\$10,000
10.	Mobile Equipment Redefined	Included
11.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
12.	Non-Owned Aircraft Hired, Chartered or Loaned with Paid Crew	Included
13.	Non-owned Watercraft	51 feet
14.	Personal Injury - Broad Form	Included
15.	Product Recall Expense	\$100,000
16.	Damage To Premises Rented To You	\$300,000
17.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$300
18.	Unintentional Failure to Disclose Hazards	Included
19.	Unintentional Failure to Notify	Included

With respect to coverage provided by this endorsement, the provisions of the Commercial General Liability Coverage Form apply unless modified by the endorsement.

1. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

Under **Section II - Who Is An Insured**, Paragraph 4. is added as follows:

5.a. Any person or organization with whom you agreed, because of a written contract, written agreement or permit, is an insured, but only with respect to:

- (1) "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit.
- (2) Facilities owned or used by you.

This insurance applies on a primary basis if that is required by the written contract, written agreement or permit. However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

b. This provision does not apply:

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage", "personal injury" or "advertising injury".
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part.
- (3) To any person or organization included as an insured under item 2. of this endorsement.
- (4) To any lessor of equipment:
 - (a) after the equipment lease expires; or
 - (b) if the "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of sole negligence of the lessor.
- (5) To any:
 - (a) Owners or other interests from whom land has been leased which takes place after the lease for that land expires; or
 - (b) Managers or lessors of premises if:
 - (i) the occurrence takes place after you cease to be a tenant in that premises; or
 - (ii) the "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.

c. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
 - (2) Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

2. ADDITIONAL INSURED BROAD FORM VENDORS

Under **Section II - Who Is An Insured**, Paragraph 5. is added as follows:

- 6.a. Any person or organization with whom you agreed, because of a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
 - (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- b. The insurance afforded the vendor does not apply to:
- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (2) Any express warranty unauthorized by you;
 - (3) Any physical or chemical change in the product made intentionally by the vendor;
 - (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;
 - (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
 - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any thing or substance by or for the vendor.
- c. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendor additional insureds, the following is added to **Section III - Limits Of Insurance**:
- If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:
- (3) Required by the contract or agreement; or
 - (4) Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

3. AGGREGATE LIMIT PER LOCATION

- A. Under **Section III - Limits Of Insurance** the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.
- B. Under **Section V - Definitions**, definition 23. is added as follows:

20. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

4. ALIENATED PREMISES

Under **Section I - Coverage A**, Paragraph **2. Exclusions, j. (2)** is replaced in its entirety with the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

5. BODILY INJURY REDEFINED

Under **Section V - Definitions**, definition **3. "bodily injury"** is replaced in its entirety with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from "bodily injury", sickness or disease.

6. BROAD FORM PROPERTY DAMAGE – Borrowed Equipment, Customers Goods, Use of Elevators

- A. Under **Section I - Coverage A**, paragraph **2.**, Exclusion **j.** is amended as follows:

Paragraph **(4)** does not apply to "property damage" to borrowed equipment while at a jobsite and not being used by or for you to perform operations.

Paragraphs **(3)**, **(4)** and **(6)** do not apply to "property damage" to "customers goods" while on your premises nor to the use of elevators.

- B. Under **Section V - Definitions**, definition **21.** is added as follows:

21. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. Worked on; or
- b. Used in your manufacturing process.

- C. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

7. INCIDENTAL MALPRACTICE - Employed Nurses, EMT's and Paramedics

Under **Section II - Who Is An Insured**, paragraph **2.a. (1) (d)** does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

8. KNOWLEDGE OF OCCURRENCE

Under **Section IV - Commercial General Liability Conditions**, Condition **2. - Duties in The Event Of Occurrence, Offense, Claim or Suit**, paragraph **e.** is added as follows:

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

9. MEDICAL PAYMENTS - INCREASED LIMITS

Under **Section I - Coverage C**, paragraph 1. a. (2) after "provided that:" is replaced in its entirety by the following:

- (2) The expenses are incurred and reported to us within three years of the date of the accident; and

B. Under **Section III - Limits Of Insurance**, paragraph 7. is replaced in its entirety by the following:

7. Subject to 5. above, the higher of:

- a. \$ 10,000; or
- b. The amount shown in the Declarations for Medical Expense Limit is the most we will pay under **Coverage C** for all medical expenses because of "bodily injury" sustained by any one person.

C. This coverage does not apply if **Coverage C -Medical Payments** is excluded either by the provisions of the Coverage Part or by endorsement.

10. MOBILE EQUIPMENT REDEFINED

Under **Section V - Definitions**, definition 11., "Mobile Equipment," paragraph f. (1) (a), (b) and (c) does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

11. NEWLY ACQUIRED OR FORMED ORGANIZATIONS

Under **Section II - Who Is An Insured**, paragraph 4.a. is replaced in its entirety by the following:

- a. Coverage under this provision is afforded only until the end of the policy period.

12. NON-OWNED AIRCRAFT, HIRED, CHARTERED OR LOANED WITH PAID CREW

Under **Section I - Coverage A**, paragraph 2. Exclusions, g. (6) is added as follows:

- (6) An aircraft that you do not own that is hired, chartered or loaned with a paid crew.

Paragraph (6) does not apply if the insured has any other insurance for "bodily injury" or "property damage" liability that would also be covered under this provision, whether the other insurance is primary, excess, contingent or on any other basis. In that case, this provision does not provide any insurance.

13. NON-OWNED WATERCRAFT

Under **Section I - Coverage A**, paragraph 2. Exclusions, g.(2) is replaced in its entirety by the following:

- (2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft.

14. PERSONAL INJURY - BROAD FORM

- A. Under **Section I – Coverage B**, paragraph 2. a. (5) is deleted.
- B. Under **Section V – Definitions**, definition 14., paragraph h. is added as follows:
 - h. Discrimination or humiliation (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:
 - (1) Not done intentionally by or at the direction of:
 - (a) An insured; or
 - (b) Any officer of the corporation, director, stockholder, partner or member of the insured; and
 - (2) Not directly or indirectly related to an "employee", nor to the employment, prospective employment or termination of any person or persons by an insured.
- C. This coverage does not apply if **Coverage B - Personal and Advertising Injury Liability** is excluded either by the provisions of the Coverage Part or by endorsement.

15. PRODUCT RECALL EXPENSE

- A. Under **Section I - Coverage A**, paragraph 2. **Exclusions**, exclusion n. is replaced in its entirety by the following:

- n. **Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product". The exception to the exclusion does not apply to "product recall expenses" resulting from:

- (1) Failure of any products to accomplish their intended purpose;
- (2) Breach of warranties of fitness, quality, durability or performance;
- (3) Loss of customer approval, or any cost incurred to regain customer approval;
- (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
- (5) Caprice or whim of the insured;
- (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

- (7) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
- (8) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

B. Under Section II - Who Is An Insured, paragraph 4. d. is added as follows:

- d. Coverage A. does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

C. Under Section III - Limits of Insurance, paragraph 3. is replaced in its entirety by the following:

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A because of "bodily injury" and "property damage" included in the "products-completed operations hazard"; and
 - b. "Product recall expenses".

D. Under Section III - Limits of Insurance, paragraph 8. is added as follows:

- 8. Subject to 5. above, \$100,000 is the most we will pay for all "product recall expenses" arising out of the same defect or deficiency.

E. Under Section IV - Commercial General Liability Conditions, Condition 2. Duties in the Event Of Occurrence, Offense, Claim or Suit, paragraph e. Is added as follows:

- e. You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":
 - (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall; and
 - (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

F. Under Section V - Definitions, the following definitions are added:

22. "Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "Your product" has resulted or will result in "bodily injury" or "property damage".

23. "Product recall expense" means:

- a. Necessary and reasonable expenses for:
 - (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
 - (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
 - (3) Remuneration paid to your regular "employees" for necessary overtime;
 - (4) Hiring additional persons, other than your regular "employees";
 - (5) Expenses incurred by "employees" including transportation and accommodations;

- (6) Expenses to rent additional warehouse or storage space;
- (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".

16. DAMAGE TO PREMISES RENTED TO YOU

- (1) Under **Section III - Limits Of Insurance**, paragraph 6. is replaced in its entirety by the following:

- 6. Subject to 5. above, the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke and leakage from fire protective systems, while rented to you or temporarily occupied by you with permission of the owner, is the higher of:
 - a. \$300,000, or
 - b. The Damage To Premises Rented To You Limit shown in the Declarations.

- (2) Under **Section I - Coverage A**, the last paragraph (after the exclusions) is replaced in its entirety by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III – Limits of Insurance**. This limit will apply to all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke or leakage from fire protective systems or any combination of the five.

- (3) Under **Section IV - Commercial General Liability Conditions**, Condition 4. **Other Insurance**, paragraph b. (1) (b) is replaced in its entirety by the following:

- (b) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- (4) Under **Section V - Definitions**, definition 9. "Insured contract", paragraph a. is replaced in its entirety by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- (5) This coverage does not apply if Damage To Premises Rented To You or Fire Damage Legal Liability is excluded under **Coverage A** either by the provisions of the Coverage Part or by endorsement.

17. SUPPLEMENTARY PAYMENTS INCREASED LIMITS

Under **Section I - Supplementary Payments Coverages A and B**, paragraphs 2. and 4. are replaced in their entirety as follows:

2. Up to \$2500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$300 a day because of time off from work.

18. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Under **Section IV - Commercial General Liability Conditions**, Condition **6. Representations**, paragraph **d.** is added as follows:

- d.** We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

19. UNINTENTIONAL FAILURE TO NOTIFY

Under **Section IV - Commercial General Liability Conditions**, Condition **2. - Duties In The Event Of Occurrence, Offense, Claim or Suit**, paragraph **f.** is added as follows:

- f.** Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IMPAIRED PROPERTY DAMAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

1. Impaired Property Damage Sublimit: \$ _____
2. Impaired Property Damage Each Occurrence Limit: \$ _____
3. Deductible: \$ _____
4. Participation Percentage: _____ %
5. Premium: **Included**

In consideration of the premium charged, the following provisions are added to this insurance. Unless modified by this endorsement, all terms and conditions of the policy remain unchanged.

I. Subparagraph (1) of Exclusion m. of **Section I., Coverage A.** is deleted.

II. The following provisions are added to **Section III – Limits of Insurance:**

8. Subject to 3. above, the Impaired Property Damage Sublimit is the most we will pay for all “property damage” to “impaired property” or property that has not been physically injured, arising out of a defect, deficiency, inadequacy or dangerous condition in “your work” or “your product”.
9. Subject to 3. and 8. above, the Impaired Property Damage Each Occurrence Limit is the most we will pay for all “property damage” to “impaired property” or property that has not been physically injured, arising out of a defect, deficiency, inadequacy or dangerous condition in “your work” or “your product”.
10. Our obligation to pay for each “occurrence” of “property damage” to “impaired property” or property that has not been physically injured, arising out of a defect, deficiency, inadequacy or dangerous condition in “your work” or “your product”:
 - a. applies in excess of the Deductible amount shown in the Schedule above; and
 - b. is subject to your payment of the Participation Percentage, shown in the Schedule above, of the amount remaining after payment of the Deductible.

You must pay your Deductible and Participation Percentage as directed by us. If we pay your Deductible and /or Participation Percentage on your behalf, you will reimburse us promptly for those amounts.

SPECIAL BROADENED PROPERTY PLUS ENDORSEMENT

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL BROADENED PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
COMMERCIAL PROPERTY CONDITIONS**

The provisions of the:

1. Building And Personal Property Coverage Form;
2. Causes Of Loss – Special Form; and the
3. Commercial Property Conditions;

apply except as otherwise provided in this endorsement, or in any other endorsement attached to any of the above listed forms.

SPECIAL COVERAGES – BLANKET LIMIT OF INSURANCE

LIMIT OF INSURANCE
\$250,000 OCCURRENCE \$500,000 ANNUAL AGGREGATE
SPECIAL COVERAGES
Accounts Receivable Water Back-up and Sump Overflow EDP Equipment Systems Breakdown Extra Expense Fire Department Service Charge Fire Extinguisher Systems Expense Building Ordinance or Law Valuable Papers – Cost of Research

The Blanket Limit of Insurance shown above applies to all Special Coverages shown above. The Blanket Limit of Insurance applies separately to each covered premises shown in the declarations and is subject to the Deductible, if applicable. This Blanket Limit of Insurance does not apply to premises shown in the Commercial Property Coverage Part Declarations as Any Other Location. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Special Coverages shown, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above at any one covered premises.

SECTION I – CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. EXTENSION OF COVERED PROPERTY DEFINITIONS

The following are added to **a. Building of A. Coverage, 1. Covered Property**:

- (6) Garage and storage buildings, but not including greenhouses or hothouses;
- (7) Exterior Building Glass, if the Building is owned by you;
- (8) Foundations of Buildings;
- (9) Retaining Walls, whether attached to the Building or not at the described premises;
- (10) Sidewalks and paved surfaces;

- (11) Signs, but only to the extent that coverage is provided by **Signs** of section **F. Additional Coverages** of this endorsement.

B. TENANT GLASS COVERAGE

The following are added to **b. Business Personal Property** under **A. Coverage, 1. Covered Property**:

- (8) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property.
- (9) Interior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property.

The glass must be owned by you or in your care, custody or control, or you must be contractually responsible for its replacement. For the purposes of the coverage provided in this provision, Paragraph **E.7.e.(1) Tenants' Improvements and Betterments** under **Loss Conditions** does not apply unless **Loss Condition E.6. Vacancy** is in effect at the time of the loss.

C. EXTENSION OF PREMISES BOUNDARY

The following amends the indicated sections of **A. Coverage, 1. Covered Property**:

- 1. Paragraph **(5)(b) of a. Building** is deleted and replaced by the following:
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- 2. The opening paragraph of **b. Your Business Personal Property** is deleted and replaced with the following:
 - b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations:
- 3. Paragraph **(2) of c. Personal Property Of Others** is deleted and replaced with the following:
 - (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

D. AMENDMENTS TO PROPERTY NOT COVERED

The following amend **A. Coverage, 2. Property Not Covered**:

FOUNDATIONS, RETAINING WALLS, PAVED SURFACES COVERAGE

- a. **A.2.g.** and **A.2.i.** are deleted.
- b. **A.2.d.** is deleted and replaced with the following:
 - d. Bridges, public and private roadways;

ADDITIONAL COVERAGE AND COVERAGE EXTENSION AMENDMENTS

The following specified Paragraphs (**a.**, **i.**, **n.**, **o.**) are deleted and replaced with the following:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities, except as provided by this endorsement under the following provisions of **F. Additional Coverages** :
 - (1) Money and Securities;
 - (2) Computer Fraud;
 - (3) Money Orders, "Counterfeit Money" And Travelers Checks;
 - (4) Forgery Or Alteration;
 - (5) Employee Theft; and
 - (6) under **E-Commerce – Limited Coverage** of **SECTION II – AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM**.

Additionally, this provision does not apply to coverage provided by **Accounts Receivable Coverage** of section **G. Coverage Extensions** of this endorsement.

For the purpose of the coverage provided by this endorsement, lottery tickets held for sale are not securities.

- i. Personal property while airborne or waterborne, except as provided under Paragraph 2.d. **FOB SHIPMENTS**, under **E. CHANGES TO F. ADDITIONAL COVERAGE EXTENSIONS - PROPERTY IN TRANSIT** of **SECTION II – AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM** of this endorsement.
- n. "Electronic Data", except as provided under **Additional Coverages – "Electronic Data" and E-Commerce – Limited Coverage**.
- o. The cost to replace or restore the information on Valuable Papers and Records, including those which exist as "Electronic Data". Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for **Valuable Papers And Records (Other Than "Electronic Data")** for limited coverage for valuable papers and records other than those which exist as "Electronic Data" and **Accounts Receivable Coverage** of **G. Coverage Extensions** of this endorsement.

UNDERGROUND PIPES

Paragraph **A.2.m.** is deleted.

E. AMENDMENTS TO ADDITIONAL COVERAGES

The following provisions of **4. Additional Coverages** of **A. Coverages** are amended, as follows:

DEBRIS REMOVAL

Paragraph **(4)** of **a. Debris Removal** is deleted and replaced with the following:

- (4)** We will pay up to an additional \$100,000 for debris removal expense at each described premises in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$100,000.

PRESERVATION OF PROPERTY

Paragraph **(2)** of **b. Preservation Of Property** is deleted and replaced with the following:

- (2)** Only if the loss or damage occurs within 90 days after the property is first moved.

FIRE DEPARTMENT SERVICE CHARGE

The limit of coverage under Paragraph **c. Fire Department Service Charge** is amended to a maximum of \$250,000 (the Blanket Limit for Special Coverages) at each described premises in any one occurrence. This Limit of Insurance is in addition to any Fire Department Service Charge Limit of Insurance that may be shown in the Commercial Property Coverage Part Declarations or Supplemental Schedule.

POLLUTANT CLEAN UP AND REMOVAL

The last Paragraph of **d. Pollutant Clean Up And Removal** is deleted and replaced with the following:

The most we will pay under this Additional Coverage at each described premises is \$50,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate policy period of this policy

BUILDING ORDINANCE OR LAW COVERAGE

Paragraph **e. Increased Cost of Construction** is deleted and replaced with the following:

e. Building Ordinance or Law Coverage

(1) Application Of Coverage(s)

The Coverage(s) provided by this Additional Coverage apply only if both **(1)(a)** and **(1)(b)** are satisfied and are then subject to the qualifications set forth in **(1)(c)**.

- (a) The ordinance or law:
 - (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (ii) Is in force at the time of loss.
But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.
- (b) (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
 - (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
 - (iii) But if the building sustains direct physical damage that is not covered under this policy and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.
- (c) In the situation described in (1)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of **Coverage A, B and/or C** of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph (7) of this Additional Coverage provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of **Coverage A, B and/or C** of this Additional Coverage.

- (2) We will not pay under **Coverage A, B or C** of this Additional Coverage for:

- (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(3) Coverage

(a) Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under **Coverage A** for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. **Coverage A** does not increase the Limit of Insurance.

(b) Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to **Coverage B**.

(c) Coverage C – Increased Cost Of Construction Coverage

- (i) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- 1) Repair or reconstruct damaged portions of that building; and/or
- 2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use or law.
- b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to **Coverage C**.

- (ii) When a building is damaged or destroyed and **Coverage C** applies to that building in accordance with (c)(i) above, coverage for the increased cost of construction also applies to repair or reconstruction costs for the following, subject to the same conditions stated in (c)(i):

- 1) Excavations, grading, backfilling and filling;
- 2) Pilings; and
- 3) Underground pipes, flues and drains.

The items listed in (ii)1 through (ii)3 above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, (c)(ii) above.

(4) Loss Payment

- (a) All following loss payment Provisions, (4)(b) through (4)(e), are subject to the apportionment procedures set forth in Paragraph e.(1)(c) of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of a building to which **Coverage A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (i) If the property is being repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - 1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building. The amount payable under **Coverage A** is not additional insurance.
 - (ii) If the property is not repaired or replaced, or if the Replacement Cost Coverage Valuation does not apply, we will not pay more than the lesser of:
 - 1) The actual cash value of the building at the time of loss; or
 - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

The amount payable under **Coverage A** is not additional insurance.

- (c) Unless Paragraph (4)(e) applies, loss payment under **Coverage B** will be determined as follows: We will not pay more than the lesser of the following:
 - (i) The amount you actually spend to demolish and clear the site of the described premises; or
 - (ii) \$100,000 in any one occurrence.If a damaged Building is covered under a blanket Limit of Insurance which applies to more than one building, then the most we will pay under **Coverage B**, for that damaged building, is \$100,000.

The amount payable under **Coverage B** is additional insurance.

- (d) Unless Paragraph (4)(e) applies, loss payment under **Coverage C** will be determined as follows:
 - (i) We will not pay under **Coverage C**:
 - 1) Until the property is actually repaired or replaced, at the same or another premises; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under **Coverage C** is the lesser of:

- 1) The increased cost of construction at the same premises; or
- 2) \$100,000 or five percent (5%) of the Limit of Insurance applicable to that building, whichever is less in any one occurrence.

If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under **Coverage C**, for that damaged building, is the lesser of \$100,000 or five percent (5%) times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under **Coverage C** is additional insurance.

(iii) If the ordinance or law requires relocation to another premises, the most we will pay under **Coverage C** is the lesser of:

- 1) The increased cost of construction at the new premises; or
- 2) \$100,000 or five percent (5%) of the Limit of Insurance applicable to that building, whichever is less in any one occurrence.

If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Building Ordinance or Law Additional **Coverage C**, for that damaged building, is the lesser of \$100,000 or five percent (5%) times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under **Coverage C** is additional insurance.

(e) If a Combined Limit of Insurance applies to **Coverage B** and **C**, Paragraphs (4)(c) and (4)(d) of this Additional Coverage do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay for the total of all covered losses for **Coverage B** and **C** is \$250,000 (the Blanket Limit for Special Coverages) in any one occurrence. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- (i) For **Coverage B**, subject to the applicable Limit of Insurance, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (ii) With respect to **Coverage C** and subject to the applicable Limit of Insurance:
 - 1) We will not pay for the increased cost of construction:
 - a) Until the property is actually repaired or replaced, at the same or another premises; and
 - b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - 3) If the ordinance or law requires relocation to another premises the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(5) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.

(6) Under this Additional Coverage we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

(7) Example of Proportionate Loss Payment for Building Ordinance Or Law Coverage losses (procedure as set forth in Paragraph (1)(c) of this Additional Coverage.)

Assume :

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind) : \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under **Coverage C** of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the **Coverage C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under **Coverage A** and **B** of this Additional Coverage.

- (8) If a loss is covered in whole or in part by both this coverage and the coverage provided in **Ordinance Or Law – Equipment Coverage** of section **F. Additional Coverages** of this endorsement, this Building Ordinance or Law Coverage does not apply to that part of the loss which is covered by **Ordinance Or Law – Equipment Coverage**, or any part of the loss which would have been covered, if not for the exhaustion of the Limits of Insurance provided by **Ordinance Or Law – Equipment Coverage**.

"ELECTRONIC DATA" COVERAGE

- a. Paragraph (4) of **f. Electronic Data** is deleted and replaced with the following:

(4) The most we will pay for all loss or damage at all described premises under this Additional Coverage is \$50,000 during any one policy period, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

- b. The following is added to **f. Electronic Data**:

(5) Duplicate "Electronic Data"

We will pay for your loss to duplicate or backup "Electronic Data" which you store at a separate location. A separate location is defined as a location at least 1,000 feet away from your premises. Regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, the most we will pay for all loss or damage at all described premises under this extension during any one policy period is \$10,000.

- c. This coverage does not apply to any loss or damage or any cost or expense also payable, or which would have been payable, if not for the exhaustion of the applicable Limit of Insurance under:

- (1) **Utility Services – Direct Damage Coverage** of **F. Additional Coverages**; and
(2) **E-Commerce – Limited Coverage** of **SECTION II AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM**, of this endorsement.

F. ADDITIONAL COVERAGES

The following coverages are added to **4. Additional Coverages** under **A. Coverages**:

"MONEY" AND "SECURITIES"

- a. **Inside The Premises**

We will pay only for loss of "money" and "securities" resulting directly from:

- (1) "theft" committed by a person present inside such "premises" or "banking premises"; or
(2) disappearance or destruction.

We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

The most we will pay for all loss in any one "occurrence" under this Additional Coverage is \$25,000 at each described premises.

b. Outside The Premises

- (1) We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- (2) We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

The most we will pay for all loss under this Additional Coverage is \$25,000 in any one "occurrence".

c. With respects to the above coverages, we will not pay for loss:

- (1) Resulting from "theft" or any dishonest or criminal act committed by you or any of your partners, "members", officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property (including "employees") for any purpose, whether acting alone or in collusion with other persons;
- (2) Resulting from accounting or arithmetical errors or omissions;
- (3) Due to the giving or surrendering of property in any exchange or purchase;
- (4) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device;
- (5) Resulting from fire, however caused, except loss of or damage to "money" and "securities"; or
- (6) From damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it. See **Additional Coverages, Damage to Lease or Rented Buildings and Equipment – Theft Coverage**.

d. The insurance provided by this Additional Coverage does not apply to any loss to "money" and "securities":

- (1) due to "employee" "theft"; or
- (2) which is payable, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under any of the following Additional Coverages provided by this endorsement:
 - (a) **Computer Fraud**
 - (b) **Computer Hi-Jack and Identity Theft – Zombies, Bots and Phishing**

e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

f. To the extent that coverage for "money" and "securities" is provided under this Additional Coverage, the Property Not Covered provisions in the Coverage section of the Building And Personal Property Coverage Form do not apply.

FIRE EXTINGUISHER SYSTEMS EXPENSE

a. We will pay:

- (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1000 feet of the described premises; and
- (2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or fire extinguishing system.

b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.

c. The most we will pay for all costs, loss or damage in any one occurrence under this Additional Coverage is \$250,000 (the Blanket Limit for Special Coverages) at each described premises.

REWARD PAYMENT

a. We will reimburse you for rewards paid as follows:

- (1) Up to \$25,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the Covered

Property under the Loss Payment Condition.

- (2) Up to \$25,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
- b. This Additional Coverage applies subject to the following conditions:
 - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
 - (a) You or any family member;
 - (b) Your employee or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - (f) Any person involved in the crime.
 - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
 - (3) The lesser of the amount of the reward or \$25,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence. One occurrence means any event or series of events that constitutes the crime or crimes that results in the loss of Covered Property. This Per Occurrence Limit of Insurance applies to each occurrence regardless of the number of persons eligible for the reward payment.

COMPUTER FRAUD

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":
 - (1) To a person (other than a "messenger") outside those "premises"; or
 - (2) To a place outside those "premises".
- b. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$25,000 at each described premises.
- c. The insurance provided by this Additional Coverage does not apply to any loss or damage:
 - (1) Due to "employee" "theft"; or
 - (2) Resulting from any dishonest or criminal act committed by you or any of your partners, "members", officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property (including "employees") for any purpose, whether acting alone or in collusion with other persons; or
 - (3) Which is payable, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under any of the following Additional Coverages provided by this endorsement:
 - (a) **Forgery Or Alteration**
 - (b) **Unauthorized Use of Business Debit, Credit or Other Transaction Cards**
 - (c) **Computer Hi-Jack and Identity Theft – Zombies, Bots and Phishing**

MONEY ORDERS, "COUNTERFEIT MONEY" AND TRAVELERS CHECKS

- a. We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
 - (1) Money orders issued by any post office, express company or bank that are not paid upon presentation;
 - (2) "Counterfeit money" that is acquired during the regular course of business; or
 - (3) Travelers' checks of any express company or United States national or state chartered bank that are not paid upon presentation.
- b. The most we will pay for any loss in any one "occurrence" under this Additional Coverage is \$10,000 at each described premises.

- c. The insurance provided by this Additional Coverage does not apply to any loss due to "employee" "theft".

"FORGERY" OR ALTERATION

- a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;or that are purported to have been so made or drawn.

For the purposes of this coverage, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is included within the Limit of Insurance applicable to this coverage.
- c. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- d. The insurance provided by this Additional Coverage does not apply to any loss due to "employee" "theft".
- e. The most we will pay for any loss in any one "occurrence", including legal expenses, under this Additional Coverage is \$25,000.

SIGNS

- a. We will pay for direct physical loss of or damage to signs (outdoor and within Buildings) at the described premises under Building Coverage if the signs are used in the operation of your business and:
 - (1) Are owned by you; or
 - (2) Are owned by others but in your care, custody or control; and
 - (3) A Limit of Insurance is shown in the Declarations for Building property.This coverage does not apply to billboards, signs attached to vehicles, temporary signs or signs constructed solely for promotional or advertisement purposes away from the described premises.
- b. We will also pay for direct physical loss of or damage to signs (outdoor and within Buildings) at the described premises under Building Coverage if:
 - (1) You are a tenant; and
 - (2) A Limit of Insurance is shown in the Declarations for such signs under Building Coverage; and
 - (3) The signs are used in the operation of your business and are:
 - (a) Owned by you; or
 - (b) Owned by others but in your care, custody or control.This coverage does not apply to billboards, signs attached to vehicles, temporary signs or signs constructed solely for promotional or advertisement purposes away from the described premises.
- c. The amount we pay under this Additional Coverage is included in and is not in addition to the Limit of Insurance for Building provided by this policy and shown in the Declarations.
- d. The provisions of this Additional Coverage supersede all other outdoor signs coverage references in the Building And Personal Property Coverage Form.
- e. The second Paragraph under **C. Limits Of Insurance** of the **Building and Personal Property Coverage Form** is deleted and does not apply.
- f. This coverage does not apply to signs that are your "stock" or materials that are work in progress for the construction, erection or installation of signs.
- g. Paragraphs **B. Exclusions** and **C. Limitations** of the **Causes of Loss – Special Form** do not apply to the coverage provided under this Additional Coverage except for the following under Paragraph **B. Exclusions**:
 - (1) **B.1.c.** Governmental Action;
 - (2) **B.1.d.** Nuclear Hazard;
 - (3) **B.1.f.** War And Military Action;
 - (4) **B.2.a.** Artificially generated electricity;

- (5) **B.2.d.(1)** Wear and tear;
- (6) **B.2.d.(2)** Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (7) **B.2.d.(6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force

"EMPLOYEE" THEFT

- a. We will pay for loss of or damage to your "money" and "securities" and "other property" resulting directly from "theft" committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partners, "members" or "managers") with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any "employee"; or
 - (b) Any other person or organization.
- b. We will not pay for:
 - (1) Loss or damage resulting from any dishonest or criminal act committed by you or any of your partners, "members", officers, "managers", directors, trustees, authorized representatives or anyone other than your "employees" to whom you entrust the property for any purpose, whether acting alone or in collusion with other persons;
 - (2) Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
 - (b) Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
 - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
 - (3) Expenses related to any legal action; or
 - (4) Loss or damage the only proof of which as to its existence or amount is one or both of the following:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000 at each described premises.
- d. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- e. This Additional Coverage does not apply to loss caused by any "employee" after discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors, or "members" or "managers" not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.
- f. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- g. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance except that the timewithin which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- h. The insurance under Paragraph g. above is provided within and not in addition to the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Additional Coverage as of its effective date; or
- (2) The prior insurance, had it remained in effect.

i. Employee Benefit Plans – Automatic ERISA Coverage

- (1) The "employee benefit plans" named in your policy (hereinafter referred to as Plan) are included as insureds under Employee Theft coverage.
- (2) If any Plan is insured jointly with any other entity under this endorsement, you or the plan Administrator must select a Limit of Insurance for the Employee Theft coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (3) With respect to loss sustained or "discovered" by any such Plan, Employee Theft is replaced by the following:
We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.
- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled "funds" or "other property" of two or more Plans; resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

ORDINANCE OR LAW - EQUIPMENT COVERAGE

- a. Subject to Paragraph **b.** which follows, if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.
- b. If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
 - (1) The cost to reclaim the refrigerant as required by law;
 - (2) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (3) The increased cost to recharge the system with a non-CFC refrigerant.
- c. The terms of this coverage apply separately to each piece of covered equipment at any described premises.
- d. We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- e. Loss to the equipment will be determined as follows:
 - (1) If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (a) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality and the amount you actually spend to complete **b.(1)**, **b.(2)** and **b.(3)** above; or
 - (b) \$10,000.
 - (2) If the equipment is not repaired or replaced, or if the Replacement Cost Coverage Valuation does not apply we will not pay more than the lesser of:
 - (a) The actual cash value of the equipment at the time of loss; or
 - (b) \$10,000.
 - (3) We will not pay for loss due to any ordinance or law that:
 - (a) You were required to comply with before the loss, even if the equipment was undamaged; and
 - (b) You failed to comply with.
- f. The Coinsurance Additional Condition does not apply to this coverage.
- g. We do not pay under this coverage for a loss caused by an "accident".

SPOILAGE OF "PERISHABLE STOCK" COVERAGE

- a. We will pay for the loss of "perishable stock" as described below caused by:

- (1) Contamination by a refrigerant; or
- (2) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000 at each described premises.

This limit includes, and is not in addition to, any amount also payable under Business Income and Extra Expense coverage, if Business Income and Extra Expense coverage is provided by endorsement or by a Coverage Form included in your policy.

b. Extra Expense – Clean Up and Disposal of Spoiled "Perishable Stock"

- (1) If we pay for direct physical loss of or damage to your Business Personal Property under Additional Coverage, Spoilage of "Perishable Stock" Coverage of this endorsement, we will pay your expense to clean up and dispose of the spoiled "perishable stock".
- (2) The most we will pay for all expenses in any one occurrence under this Additional Coverage is \$10,000 at each described premises.
- (3) This limit includes any amount also payable under **Business Income and Extra Expense**, if Business Income and Extra Expense coverage is provided by endorsement or by a Coverage Form included in your policy.

- c. This Additional Coverage does not apply if the spoilage results from:

(1) Any of the following exclusions under **B. Exclusions** of the **Causes of Loss – Special Form**:

- (a) **B.1.b.** Earth movement;
- (b) **B.1.c.** Governmental Action;
- (c) **B. 1.d.** Nuclear Hazard;
- (d) **B.1.f.** War And Military Action;
- (e) **B.2.g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - 1) You do your best to maintain heat in the building or structure; or
 - 2) You drain the equipment and shut off the supply if the heat is not maintained;

- (2) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- (3) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- (4) The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (a) Lack of fuel; or
 - (b) Governmental order;
- (5) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;
- (6) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit;
- (7) An "accident"; and
- (8) Changes in temperature or humidity resulting from:
 - (a) Complete or partial lack of electrical power; or
 - (b) Fluctuation of electrical current

caused by or resulting from an "accident" to equipment owned by a utility, landlord or other supplier with which you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must be of the type described in the definition of "covered equipment" except that it is not Covered Property.

- d. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations applicable to Your Business Personal Property. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.
- e. You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, this Additional Coverage – Spoilage of "Perishable Stock" Coverage will be automatically suspended at the involved location.

WATER BACK-UP AND SUMP OVERFLOW

- a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - (1) Water which backs up through or overflows from a sewer or drain; or
 - (2) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **a.(2)** above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.
- b. The coverage described in Paragraph **a.** of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:
 - (1) Keep a sump pump or its related equipment in proper working condition; or
 - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions
- c. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$250,000 (the Blanket Limit for Special Coverages) at each described premises. The most we will pay for the sum of all loss or damage at all described premises under this Additional Coverage is \$500,000 (the Annual Aggregate Blanket Limit for Special Coverages) during any one policy period, including any amount payable under Business Income and Extra Expense coverage, if Business Income and Extra Expense coverage is provided by endorsement or by a Coverage Form included in your policy.
- d. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Additional Coverage.
- e. The following exclusions and limitations are added and apply to coverage provided under this Water Back-Up And Sump Overflow Additional Coverage:

We will not pay for any loss or damage caused by or resulting from water back-up or overflow that begins before or within 72 hours after the inception date of this endorsement, unless:

 - (1) This endorsement is added to your policy at renewal; or
 - (2) This endorsement is included in the coverages renewed upon the renewal date of your policy; and
 - (3) You had no knowledge of pre-existing loss or damage; or
 - (4) You had no knowledge of an impending event that would cause loss or damage to your property.

If you request and we provide an increase in the stated Limit of Insurance for Water Back-Up And Sump Overflow, the increase will not apply to loss or damage from any Water Back-Up And Sump Overflow that begins before or within 72 hours after your request was made, unless the conditions set forth in **e.(1)** through **e.(4)** above have been met.

LOCK AND KEY REPLACEMENT

- a. We will pay the necessary expenses you incur to replace locks and keys that provide access to covered Buildings at the premises described in the Declarations arising out of the theft of or copying of keys by any unauthorized person.
- b. The most we will pay for the total of all loss payable in any one occurrence under this Additional Coverage is \$5,000 per location.
- c. This insurance does not apply to expenses arising out of loss or damage caused by:
 - (1) Vandalism; or
 - (2) Wear and Tear.

This Lock Replacement Additional Coverage is subject to a Per Loss Deductible of \$100.

LOSS ADJUSTMENT OR CLAIM DATA COLLECTION EXPENSE

- a. We will reimburse you for the necessary expenses you incur in the preparation of Loss Adjustment or Claim Data information that we require you to compile in connection with the validation or support of a claim filed against this policy. Loss Adjustment or Claim Data information includes recording information, compilation of inventories or obtaining appraisals, but does not include loss, costs or expenses associated with public adjusters hired by you.
- b. The most we will pay for the total of all expenses payable under this Additional Coverage is \$25,000 per claim.
- c. This coverage does not apply for costs, fees, or other expenses you incur in establishing the amount of a claim under **E-Commerce - Limited Coverage of Section II** and under **Employee Theft of Section I** of this endorsement.

UTILITY SERVICES - DIRECT DAMAGE COVERAGE

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption of Utility Service(s) to a premises described in the Declarations.

However, the interruption must result from direct physical loss or damage:

- (1) Arising out of a Covered Cause of Loss described in Paragraph **d.**; and
- (2) To property described in Paragraph **c.**

b. Exception to Coverage

Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

This coverage does not apply to any loss or damage or any loss, cost or expense payable under **Spoilage of "Perishable Stock" Coverage** of this endorsement. If any loss or damage, loss, cost or expense is payable under this Utility Services – Direct Damage Coverage and under the **Spoilage of "Perishable Stock" Coverage** of this endorsement, this **Utility Services – Direct Damage Coverage** will pay excess over that **Spoilage of "Perishable Stock" Coverage**, subject to the applicable Limit of Insurance.

c. Covered Utility Services

As used in this Additional Coverage, Utility Service(s) means:

- (1) **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) **Communication Supply Services**, meaning property supplying communication services, including telephone, facsimile, radio, microwave or television services to the described premises, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.

d. Covered Cause of Loss

The Covered Causes of Loss applicable to this Additional Coverage are those indicated in the **Causes of Loss – Special Form**, including applicable **Limitations** in **Section C.** and **Exclusions** of **Section B.** However, for the purposes of the coverage provided by this Additional Coverage, exclusion **B.1.e. Utility Services** of the **Causes of Loss – Special Form** does not apply.

If the **Causes of Loss – Special Form** is endorsed to add additional covered causes of loss, those additional covered causes of loss will not apply to this coverage.

e. Limit of Insurance

- (1) The most we will pay for the total of all loss or damage payable in any one occurrence under this Additional Coverage is \$50,000 at each described premises.
- (2) Subject to Paragraph e.(1) above, the most we will pay at each location, in any one occurrence, for the total of all loss or damage to covered property resulting from loss or damage to Overhead Transmission Lines is 10% of the Limit of Insurance applicable to Utility Services – Direct Damage Coverage. The Limit of Insurance applicable to Overhead Transmission Lines is part of and not in addition to the Limit of Insurance applicable to Utility Services – Direct Damage Coverage.

DAMAGE TO LEASED OR RENTED BUILDING AND EQUIPMENT - THEFT COVERAGE

- a. We will pay for direct physical damage to that part of a building you rent, lease or occupy which contains Your Business Personal Property, caused by or resulting from theft or attempted theft at a premises described in the Declarations. We will also cover loss of or damage to equipment used for maintenance or service of the damaged building if such loss to equipment arises out of theft or attempted theft. However, this Additional Coverage applies only if:
 - (1) You are not the owner of the building;
 - (2) You are legally liable for loss to the building;
 - (3) The loss is not covered by Building Coverage under this policy; and
 - (4) The loss does not apply to glass (other than building blocks) or to any lettering or ornamentation on the glass.
- b. This coverage does not apply to any loss or damage by fire or explosion.
- c. The most we will pay for all direct physical loss or damage in any one occurrence at each described premises is the applicable Your Business Personal Property limit.

REFRIGERATED PROPERTY IN TRANSIT - LIMITED COVERAGE

- a. We will pay the specified necessary expenses you incur to avoid the imminent spoilage of your product that requires refrigeration and becomes endangered because of the sudden and accidental breakdown of the refrigeration equipment on vehicles you own or lease that are transporting the property. The expenses we will pay are limited to the following:
 - (1) Necessary expenses to dispatch a replacement vehicle, including the additional wages of the driver of that replacement vehicle;
 - (2) Wages of laborers to unload the disabled transporting vehicle and reload the property onto another replacement vehicle; and
 - (3) Necessary expenses for rental of temporary cold storage facilities should a replacement refrigerated vehicle not be available.
- b. The total amount we will pay for all expenses under this Additional Coverage is \$50,000 during any one policy period, regardless of the number of claims made, occurrences of loss or damage, or the number of premises, locations or vehicles involved.

UNAUTHORIZED USE OF BUSINESS DEBIT, CREDIT OR OTHER TRANSACTION CARDS

- a. We will pay for loss of "money", amounts that are charged against your accounts, and costs you incur that are the direct result of the unauthorized use of credit, debit or phone cards issued to you for use in your business activities that are of the following type:
 - (1) ATM fund transfer cards;
 - (2) Bank issued Credit Cards or plates; or
 - (3) Telephone cards.
- b. The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000.
- c. The insurance provided by this Additional Coverage does not apply to any loss or damage:
 - (1) Due to employee theft; or
 - (2) Resulting from any dishonest or criminal act committed by you or any of your partners, members, officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property (including "employees") for any purpose, whether acting alone or in collusion with other persons.
 - (3) Which is payable, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under Additional Coverage **Computer Hi-Jack and Identity Theft – Zombies, Bots and Phishing** of this endorsement.

COMPUTER HI-JACK AND IDENTITY THEFT -ZOMBIES, BOTS AND PHISHING

- a. If you conduct business transactions over the Internet through use of your "computers" and become a victim of a Phishing scam, Zombie or distributed denial-of-service (DDoS) attack, we will pay up to \$10,000 in any one occurrence for loss, cost or expense you incur arising out of criminal acts of cyber criminals who gain access to your bank accounts or purchase goods and services through theft of your identity and/or fraudulent use of your credit or debit cards.
- b. We will pay for:
 - (1) Loss, cost and expense you incur to pay for goods or services purchased in your name; and
 - (2) Costs or expenses you incur to correct bank, credit statements or other records used to establish and verify your identity; arising out of the Phishing scam or Zombie, DDoS or DRDoS attack.
- c. The loss, cost or expense you incur must arise out of criminal acts of cyber criminals who:
 - (1) Gain unauthorized access to your "computer" and implant malicious Zombie, Bot, DDoS or DRDoS programs;
 - (2) Use your computer to prevent your business transactions from taking place;
 - (3) Gain unauthorized access to your bank accounts or credit cards through Phishing scam; or
 - (4) Purchase goods and services through theft of your identify and/or fraudulent use of your personal or business information via (1) or (3) above.
- d. This coverage does not apply to any:
 - (1) Loss or damage resulting from any dishonest or criminal act committed by you or any of your partners, members, officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property (including employees) for any purpose, whether acting alone or in collusion with other persons.
 - (2) Loss, cost or expense caused by or resulting from modem high-jacking.
 - (3) Loss or damage resulting from or due to employee theft.
- e. Additional Definitions

As used in this Additional Coverage:

- (1) **Modem hi-jacking** means the illegal access to your "computer" and implanting a malicious program, virus, keystroke loggers or other harmful code that alters the phone number your computer dials to access your Internet Service Provider in order to connect you to a pay-per-minute number (900 number) and fraudulently charge you for the additional costs for the call.
- (2) **Phishing** means a type of deception or fraudulent act designed to steal your identity through use of the Internet. A **phishing** scam is a scheme, trick or device used by others to obtain personal information (such as credit card numbers, passwords, account data, or other personal information) by convincing you to provide it under false pretenses, such as representing their website as a bank website through which you conduct financial transactions in the normal conduct of your business operations. **Phishing** schemes can also be carried out in person or over the phone, but are delivered subsequently online through spam e-mail or pop-up windows.
- (3) A **Zombie**, distributed denial-of-service (**DDoS**), or distributed reflection denial of service (**DRDoS**) attack refers to the operation of a network of compromised computers, containing remotely controlled "Zombie" or "Bot" attack programs implanted or operated by persons other than you and without your permission for fraudulent and criminal purposes. "Computers" that are a target of a Zombie attack may also lose functionality due to such infection and result in a DDoS or DRDoS.
- (4) A **Zombie or Bot** is a compromised "computer" that is directed and coordinated by a "Zombie Master" central control program implanted into your computer system by others. "Zombie Master" program gains control of a "computer" by implanting malicious programs through an infected Internet site or through opening an infected e-mail (making the computer a Zombie).
- (5) A denial of service (**DDoS or DRDoS**) attack is an influx of traffic (usually through e-mail) that overwhelms the target or victim's ability to handle the information and results in a denial of service (**DDoS or DRDoS**) of or through an ISP. This occurs because the network of computers implanted with this Zombie program receives instructions from the master program and each individual computer begins generating a flood of malicious e-mail traffic aimed at target/victim machines or networks. This target or victim is your individual computer or network that is affected directly or indirectly through your ISP's server.

PROMOTIONAL DISPLAYS

- a. We will pay under your Business Personal Property for direct physical loss or damage to displays, masonry or stone bridges, wooden landscaping bridges, assembled gazebos, fences or similar structures used for display or promotional purposes at the premises described in the Declarations. The direct physical loss or damage must be caused by or result from a Covered Cause of Loss at the premises described in the Declarations.
- b. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$25,000 at each described premises.

CONTRACT PENALTY

- a. We will pay to cover contract penalties you are assessed as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property.
- b. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$10,000.

CONSEQUENTIAL LOSS TO "STOCK"

- a. We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in process of manufacture at the described premises.
- b. In the application of the COINSURANCE Additional Condition, the value of "stock" in process of manufacture at any location to which this endorsement applies, includes the additional value that it represents in "stock" at other locations.
- c. The most we will pay under this Additional Coverage for each described premises is \$50,000.

INFLATION GUARD

- a. In the event of a Covered Cause of Loss or damage to Covered Property at a Scheduled Premises, the Limits of Insurance that apply to the lost or damaged Covered Property at a Scheduled Premises will automatically increase by the annual percentage shown in the Declarations. The amount of the increase will be: (a) the Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times (b) the percentage of annual increase shown in the Declarations expressed as a decimal (example: 8% is .08), times (c) the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.
- b. But in no event will we pay more than an additional 8% of the applicable Limit of Insurance.

EXTRA EXPENSE

When a loss covered by this policy occurs:

- a. We will pay any Extra Expense to avoid or minimize the suspension of your business and to continue "operations":
 - (1) At the described premises; or
 - (2) At replacement premises or at temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement or temporary locations.
- b. We will pay any Extra Expense to minimize the suspension of business if you cannot continue "operations".
- c. We will pay an Extra Expense to:
 - (1) Repair or replace any property; or
 - (2) Research replace or restore the lost information on damaged valuable papers or records;to the extent it reduces the amount of loss that otherwise would have been payable under this coverage.

- d. Extra Expense means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.
- e. The **Causes of Loss – Special Form, B. Exclusions, Item 4. Special Exclusions**, that apply to Extra Expense shall apply to this coverage.
- f. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$250,000 at each described premises (the Blanket Limit for Special Coverages).

VALUABLE PAPERS – COST OF RESEARCH

- a. You may extend the insurance that applies to your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged “valuable papers and records”, including those which exist on electronic or magnetic media, for which duplicates do not exist.
- b. This extension of insurance does not apply to the “**ELECTRONIC DATA**” Additional Coverage.
- c. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$250,000 at each described premises (the Blanket Limit for Special Coverages).

“EMPLOYEE DISHONESTY”

- a. We will pay for direct loss of or damage to business personal property, including “Money” and “Securities”, resulting from dishonest acts committed by any of your employees.
- b. We will not pay for loss resulting in inventory shortage, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (1) An inventory computation; or
 - (2) A profit and loss computation;
- c. The most we will pay for all loss caused by, or involving, one or more persons, whether the result of a single act or series of acts, in any one occurrence is \$25,000.
- d. Exclusion **2.h.** of the **Causes of Loss - Special Form**, is deleted in its entirety and replaced with the following:
 Dishonest or criminal act by you, any of your partners, directors, trustees, authorized representatives or anyone other than your employees to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

ELECTRONIC DATA PROCESSING EQUIPMENT SYSTEMS BREAKDOWN

- a. We will pay for loss or damage to your “electronic data processing equipment” and “electronic data processing media” owned by you or leased or rented from others for which you are legally responsible.
- b. We will pay for loss or damage resulting from or caused by:
 - (1) Mechanical breakdown, or machinery malfunction;
 - (2) Short circuit, blowout or other electrical damage or disturbance (except interruption of power supply, power surge, blackout or brown-out if the cause of such occurrence took place more than 100 feet from the Insured’s location as shown in the policy);
 - (3) Faulty, inadequate or defective design, specifications, workmanship or materials. This does not apply to electronic media;
 - (4) Actual work upon property covered including while being repaired or serviced. This does not apply to electronic media;
 - (5) Electrical or magnetic injury, disturbance, or erasure of electrical recordings. We will not pay if such loss or damage occurs outside the Insured’s location or if there is a change in the Insured’s electrical power supply, such as interruption, power surge or brown-out, which originates more than 100 feet from the Insured’s location as shown in the policy.
- c. We will not pay for loss or damage resulting from:
 - (1) Loss to property loaned, leased or rented to others while away from the premises listed in the

Declarations;

- (2) Data or media which cannot be replaced with others of the same kind and quality;
- (3) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents. We will cover such property when it is converted to data form and then only in that form;
- (4) Errors or omission in machine programming or incorrect instruction to a machine.
- d. Exclusions: The **CAUSES OF LOSS - SPECIAL FORM, B. EXCLUSIONS**, apply to this coverage except exclusions **B.2.a.** and **B.2.d.(6)**.
- e. "Electronic Data Processing Equipment" means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. "Electronic data processing equipment" does not include electronic systems that control production machinery nor the production machinery itself.
- f. "Electronic Data Processing Media" means all forms of data including computer instructions and programs which are converted to a form usable in your operations (but not including software or electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system).
- g. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$250,000 at each described premises (the Blanket Limit for Special Coverages).

G. COVERAGE EXTENSIONS

The following **Coverage Extensions** under **A. Coverage** are amended as follows:

EXTENSION OF PREMISES BOUNDARY

The opening Paragraph of **5. Coverage Extensions** is deleted and replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

- a. Newly Acquired Buildings:

The last Paragraph under **(1) of a. Newly Acquired Or Constructed Property, 5. Coverage Extensions, A. Coverage** is replaced by the following:

The most we will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss under this Extension is \$2,000,000 at each building.

- b. Newly Acquired Your Business Personal Property:

The last sentence under **(2)(a) of a. Newly Acquired Or Constructed Property, 5. Coverage Extensions, A. Coverage** is replaced by the following:

The most we will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss under this Coverage Extension is \$1,000,000 at each building. However, we will not pay for any loss or damage under this Coverage Extension also payable under **Coverage Extension – Peak Season Automatic Increase in Business Personal Property** of this endorsement for loss or damage to the same property damaged in a single loss.

- c. **(3) Period Of Coverage** is deleted and replaced with the following:

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property;
- (c) You report values to us; or
- (d) With respect to "computers", the earlier of:

- (i) (a), (b) or (c) above; or
- (ii) When specific insurance at the newly acquired premises is obtained.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

PERSONAL EFFECTS AND THE PERSONAL PROPERTY OF OTHERS

A.5.b. Personal Effects And Property Of Others provision is replaced by the following:

b. Personal Effects and Personal Property of Others

(1) PERSONAL EFFECTS

- (a) You may extend the insurance that applies to Your Business Personal Property to apply to **Personal Effects** owned by you, your officers, your partners or "members", your "managers" or your employees. This Coverage Extension does not apply to loss or damage by theft. This Coverage Extension does not include direct physical loss or damage to Your Business Personal Property that is employee tools, clothing, or property of others which is included under **b.(2) Personal Property of Others** below.
- (b) The most we will pay for direct physical loss or damage in any one occurrence under this Coverage Extension is \$50,000 at each described premises.

(2) PERSONAL PROPERTY OF OTHERS

- (a) You may extend the insurance that applies to Your Business Personal Property to apply to the **Personal Property of Others** that is property of the same type as Your Business Personal Property that is owned by others and used in your business operations.

The coverage provided by this Coverage Extension does not apply to property that is:

- (i) Owned by you, your officers, your partners or members, your "managers" or your employees.
- (ii) The property of others that is employee tools, clothing or other personal effects.
- (iii) Customers' automobiles or vehicles or other customers' property contained in customers' automobiles or vehicles while in your care, custody or control.
- (iv) Owned by your customers and for which you charge a fee to perform services upon, to store or to transport.

This Extension does not apply to loss or damage by theft.

- (b) The most we will pay for direct physical loss or damage in any one occurrence under this Coverage Extension is \$50,000 at each described premises.
- (c) When Coverage is In Effect:

The insurance provided by this Coverage Extension applies only if a Limit of Insurance is not shown in the Declarations for the Personal Property of Others. If a Limit is shown in the Declarations applicable to the Personal Property of Others, this provision does not apply and does not provide any additional insurance for the Personal Property of Others.

- (3) Replacement Cost Valuation: For the purposes of the coverage provided in this Coverage Extension, Paragraph **b.(1)** of **3. Replacement Cost** under **G. Optional Coverages** does not apply.
- (4) The insurance provided by this Coverage Extension does not apply to any loss we pay, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under Additional Coverage **Computer Fraud** of this endorsement.

"VALUABLE PAPERS AND RECORDS" (OTHER THAN "ELECTRONIC DATA")

A.5.c. "Valuable Papers And Records" (Other Than "Electronic Data") is replaced by the following:

c. "Valuable Papers And Records" (Other Than "Electronic Data")

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss.

- (2) This Coverage Extension does not apply to property in storage away from the premises shown in the Declarations; however, this does not include such property while temporarily away from the described premises for a period less than 60 days.
- (3) The most we will pay for loss or damage to "valuable papers and records" in any one occurrence under this Coverage Extension is \$100,000 at each described premises.
- For "valuable papers and records" not at a described premises, the most we will pay for all loss or damage under this Coverage Extension is \$50,000 in any one occurrence.

Such amounts are additional insurance.

We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records.

The costs of blank material are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph **B. Exclusions** in the **Causes of Loss – Special Form** does not apply to this Coverage Extension except for:
- (a) **B.1.c.** Governmental Action;
 - (b) **B.1.d.** Nuclear Hazard;
 - (c) **B.1.f.** War And Military Action;
 - (d) **B.2.f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
 - (e) **B.2.g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained; and
 - (f) The exclusions set forth in paragraph **B.3.**
- (6) The following exclusions under **C. Changes Under B. Exclusions of SECTION II – AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM** of this endorsement also apply to this coverage:
- (a) Exclusion of Certain "Computer"-Related Losses; and
 - (b) "Computer" Advice or Consultation.
- (7) With respect to the coverage provided by this endorsement, the following is added to **Exclusion B.2.h.** of the **Causes of Loss – Special Form** as it pertains to dishonest or criminal acts:
- With respect to "valuable papers and records", this exclusion does not apply to carriers for hire.
- (8) The following exclusion is added:
- We will not pay for loss or damage caused directly or indirectly by any errors or omissions:
- (a) In programming, processing or storing data, or in any "computer" operations; or
 - (b) In processing or copying "valuable papers and records".
- Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. However, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would otherwise be covered by this policy.

PROPERTY OFF-PREMISES

A.5.d. Property Off-Premises is replaced by the following:

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term;
 - (c) At any fair, trade show or exhibition; or
 - (d) In the care, custody or control of your salespersons

but only for loss caused by or resulting from a Covered Cause of Loss.

This Coverage Extension also applies to "computers" while such property is in the course of transit or is located at a premises you own, lease or operate for not more than 90 days.

For the purposes of the insurance provided by this Coverage Extension, "computers" includes laptop computers.

- (2) This Coverage Extension does not apply to:
- (a) "Money" and "securities", "valuable papers and records" or accounts receivable; or
 - (b) Materials, equipment, supplies and temporary structures located at a job site and intended for installation, construction, making additions, alterations or repairs to buildings or structures at the job site.
 - (c) Property while in or on a vehicle, except for "computers".
 - (d) Any loss we pay, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under **Salesperson's Samples** coverage of this endorsement.
- (3) The most we will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss under this Coverage Extension is \$100,000 in any one occurrence.

OUTDOOR PROPERTY

A.5.e. Outdoor Property is replaced by the following:

e. Outdoor Property

- (1) You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located at the described premises:
- (a) Fences that are not a part of a building;
 - (b) Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring; and
 - (c) Trees, shrubs and plants other than "stock";
- but only for loss caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay for direct physical loss or damage in any one occurrence, including debris removal expense, under this Coverage Extension is:
- (a) \$2,500 for any one tree, shrub or plant; and
 - (b) \$50,000 for all outdoor property at each described premises.

ACCOUNTS RECEIVABLE COVERAGE

1. Accounts Receivable Coverage is added to **A.5. Coverage Extensions**:

- a. You may extend the insurance that applies to your Business Personal Property to accounts receivable. We will pay:
- (1) All amounts due from your customers that you are unable to collect;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at each described premises is \$250,000 (the Blanket Limit for Special Coverages).
For accounts receivable not at described premises, the most we will pay is \$100,000 in any one occurrence.
 - c. To the extent that coverage for accounts receivable is provided under this Coverage Extension, the provisions of **Property Not Covered** in the Coverage section of the **Building And Personal Property Coverage Form** do not apply.
 - d. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (1) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (2) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (3) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
 - e. We will not pay for:
 - (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 - (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
 - (4) Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
2. Paragraph **B. Exclusions** in the **Causes of Loss – Special Form** does not apply to this Coverage Extension except for:
- (1) **B.1.c.** Governmental Action;
 - (2) **B.1.d.** Nuclear Hazard;
 - (3) **B.1.f.** War And Military Action;
 - (4) **B.2.f.** Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
 - (5) **B.2.g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (a) You do your best to maintain heat in the building or structure; or
 - (b) You drain the equipment and shut off the supply if the heat is not maintained; and
 - (6) The exclusions set forth in paragraph **B.3.**
 - (7) The following exclusions under **C. Changes Under B. Exclusions of SECTION II – AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM** of this endorsement also apply to this coverage:
 - a. Exclusion of Certain "Computer"- Related Losses; and
 - b. "Computer" Advice or Consultation.
 - (8) With respect to the coverage provided by this coverage, the following is added to Exclusion **B.2.h.** as it pertains to dishonest or criminal acts:
With respect to accounts receivable this exclusion does not apply to carriers for hire.

EMPLOYEE TOOLS AND WORK CLOTHING

Employee Tools and Work Clothing is added to **A.5. Coverage Extensions**:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss of or damage to tools and work clothing owned by your employees and used or worn on premises in the performance of the employee's job duties. The direct physical loss or damage must be caused by or result from a Covered Cause of Loss at the premises described in the Declarations.
- b. The most we will pay for direct physical loss or damage in any one occurrence under this Coverage Extension is:
 - (1) \$2,500 for all tools and work clothing owned by any single employee; and
 - (2) \$25,000 for the total of all tools and work clothing owned by all employees at each described premises.
- c. Our payment for direct physical loss of or damage to employee tools and work clothing under this Coverage Extension will only be to the owner of the property.
- d. This insurance does not apply to any "computers" that are incorporated into or used as peripheral equipment to the Employee Tools otherwise covered by this Coverage Extension.

PROPERTY AT JOB SITES

Property At Job Sites is added to **A.5. Coverage Extensions**:

- a. You may extend the insurance provided by this Coverage Form to apply to the following property while it is away from the described premises and at a job site where you are performing services for your clients in the normal course of your business activities:
 - (1) Your Business Personal Property, and
 - (2) Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed; but only for loss caused by or resulting from a Covered Cause of Loss.
- b. Property covered under this Extension does not include:
 - (1) "Computers" and laptops; or
 - (2) Other property while:
 - (a) Temporarily at a location you own, lease or operate, other than a job site;
 - (b) In storage at a location you own or lease;
 - (c) At any fair, trade show or exhibition; or
 - (d) In or on a vehicle.
- c. Coverage provided under this Extension for materials, supplies, equipment, machinery or fixtures that are intended to become part of a building begins when such property is removed from a vehicle at the job site, and will end when one of the following first occurs:
 - (1) This policy expires or is cancelled;
 - (2) The property covered is accepted by the purchaser;
 - (3) Your interest in the property ceases;
 - (4) You abandon the project to be performed by you for the purchaser, with no intention to complete it; or
 - (5) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.
- d. The most we will pay for all direct physical loss or damage caused by or resulting from a Covered Cause of Loss under this Coverage Extension is \$50,000 in any one occurrence.
- e. The insurance provided by this Coverage Extension does not apply to any loss we pay, or which would have been payable if not for the exhaustion of the applicable Limit of Insurance, under **G. Coverage Extension – Salesperson's Samples** of this endorsement.

PEAK SEASON AUTOMATIC INCREASE IN BUSINESS PERSONAL PROPERTY

Peak Season Automatic Increase in Business Personal Property is added to **A.5. Coverage Extensions**:

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to

- provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.
 - c. We will not pay under this Coverage Extension for any loss also payable under **Newly Acquired or Constructed Property**, as amended under paragraph **G. Coverage Extensions** of this endorsement.

FINE ARTS COVERAGE

Fine Arts Coverage is added to **A.5. Coverage Extensions**:

a. Coverage

We will pay for direct physical loss of or damage to the Covered Property described in **b.** below caused by or resulting from a Covered Cause of Loss.

b. Covered Property

(1) Covered Property, as used in this Coverage Extension means property owned by you, or in your care, custody or control which is unscheduled objects of art, art glass windows, rare articles, antique or period furniture and other items that have artistic merit, antique value or historical worth located at a premises described in the Declarations and not held for sale.

No other coverage under the Property Coverage Part of this policy, or any endorsement thereto, except the coverage provided by this Coverage Extension, applies to direct physical loss or damage to the Covered Property described above.

(2) Covered Property does not include:

- (a) Property while on exhibition at fair grounds or on the premises of any national or international exposition; or
- (b) Contraband, or property in the course of illegal transportation or trade.

c. Exclusions

We will not pay for loss or damage to unscheduled Fine Arts which is caused by or results from any of the following:

(1) Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay for such loss or damage caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property if these causes of loss would be covered under this Coverage Part.

(2) Any repairing, restoration or retouching of the Covered Property.

(3) Unauthorized instructions to transfer property to any person or to any place.

(4) Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

d. Limits Of Insurance

The most we will pay for direct physical loss or damage in any one occurrence under this Coverage Extension is:

(1) \$5,000 for any single item; and

(2) \$50,000 for the total of all items at each described premises.

Our payment for loss of or damage to Fine Arts that is the property of others will only be for the account of the owner of the property.

e. Additional Conditions

With respect to this Fine Arts Coverage Extension only, the following additional conditions apply:

(1) Packing And Unpacking

You agree that Covered Property will be packed and unpacked by competent packers.

(2) Pair, Sets Or Parts

(a) Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- (i) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- (ii) Pay the difference between the value of the pair or set before and after the loss or damage.

(b) Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

SALESPERSONS' SAMPLES

Salespersons' Samples is added to **A.5. Coverage Extensions**:

- a. If a Limit of Insurance for Business Personal Property is shown in the Declarations, you may extend the insurance that applies to Your Business Personal Property to apply to:
 - (1) Samples of the goods or products (including containers) you sell to others in the commission of your business operations;
 - (2) Promotional materials, sales aids or other similar goods which assist in the sale or promotion of your goods or services;while such property is in the care, custody or control of your employees whose duties involve the sale or promotion of your products or services, but only for loss caused by or resulting from a Covered Cause of Loss.
- b. The most we will pay for direct physical loss of or damage to the property described in paragraphs **a.(1) or a.(2)** above while in the care, custody and control of any single employee in any single occurrence is \$25,000.
- c. We will not pay for loss or damage resulting from any dishonest or criminal act committed by you or any of your partners, members, officers, managers, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose, whether acting alone or in collusion with other persons.

CONFUSION OF CUSTOMERS' PROPERTY

Confusion of Customers' Property is added to **A.5. Coverage Extensions**:

- a. If a Limit of Insurance for Business Personal Property is shown in the Declarations, you may extend the insurance that applies to Your Business Personal Property to apply to the expenses you incur when all of the following conditions are met:
 - (1) Customers' Property was left in your care, custody and control for process, service or work to be performed on such property; and
 - (2) Customers' Property is lost or damaged due to a covered Cause of Loss that occurs at the premises described in the Declarations; and
 - (3) The covered Cause of Loss described in paragraph **(2)** above destroys or damages inventory or tracking information that identifies the identity of the Customer and/or ownership of the Customers' Property such that the return of the property to the Customer is not immediately possible.

We will pay the expenses you incur in order to:

- (a) Establish the ownership of Customers' Property or the identity of the Customer;
 - (b) Purchase new tags, labels or other materials used to identify Customers Property; and
 - (c) Additional costs or expenses you incur to re-tag or label the products or goods with the correct information.
- b. The most we will pay for all expenses you incur in any one occurrence under this Coverage Extension is:
 - (1) \$5,000 for any single customer; and
 - (2) \$25,000 for the total of all customers at each described premises.

BRANDS AND LABELS COVERAGE

Brands and Labels Coverage is added to **A.5. Coverage Extensions**:

- a. If a Limit of Insurance for Business Personal Property is shown in the Declarations, you may

extend the insurance that applies to Your Business Personal Property to provide the following:

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.
- b. We will pay reasonable costs you incur to perform the activity described in **a.(1) or a.(2)** above. But the total we pay for these costs in any one occurrence is \$100,000 at each described premises; provided that the most that we will pay for the total of these costs and the value of the damaged property will not exceed the Business Personal Property Limit of Insurance shown on the Declarations.

"COMPUTER" EQUIPMENT AND MEDIA

"Computer" Equipment and Media is added to **A.5. Coverage Extensions**

- a. If a Limit of Insurance for Business Personal Property is shown in the Declarations, you may extend the insurance that applies to Your Business Personal Property to apply to "computers" and Media and Records which are:
- (1) Owned by you; or
 - (2) Leased, rented or borrowed by you while in your care, custody and control;
- and are used in your business while they are away from the described premises within the Coverage Territory, but only for loss or damage caused by a Covered Cause of Loss.
- b. As used in this Coverage Extension, Media and Records includes:
- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells; and
 - (2) Programming records used for "electronic data" processing or electronically controlled equipment.
- Media and Records does not include "electronic data" stored on such media.
- c. For purposes of this coverage, Covered Property does not include:
- (1) Property held as samples, held for rental or sale or that you rent to others;
 - (2) Property in storage away from the premises shown in the Declarations except as provided in this Coverage Extension of this endorsement;
 - (3) Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck or other vehicle subject to motor vehicle registration;
 - (4) Accounts, bills, evidences of debt and valuable papers and records; or
 - (5) "Computers" and Media and Records that are otherwise covered under the **Building And Personal Property Coverage Form** as Building, Business Personal Property or Personal Property Of Others even in the absence of this coverage.
- d. The most we will pay for direct physical loss or damage under this Coverage Extension in any one occurrence is \$100,000 at each described premises.
- e. **Duplicate Media**
- (1) We will pay for your loss or to duplicate or back up Media and Records which you store at a separate location (a location at least 1,000 feet from your premises). The most we will pay under this extension is \$10,000 in any one occurrence.
 - (2) Coverage provided by this subparagraph **e.** is included within and not in addition to the Limit of Insurance provided in subparagraph **d.** above.

H. AMENDMENTS TO LIMITS OF INSURANCE

Paragraph **C. Limits Of Insurance** is replaced by the following:

C. Limits of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. Unless specifically indicated in the Additional Coverage, the Limits of Insurance applicable to any Additional Coverage provision provided by this endorsement will not increase the Limit of Insurance applicable to Building, Business Personal Property or Business Income and Extra Expense shown in the Declarations.

However, the limits applicable to the following Additional Coverages apply in accordance with the terms of such coverages and are separate from and in addition to the Limit(s) of Insurance shown in the Declarations for any other coverage:

- Debris Removal;
 - Fire Department Service Charge;
 - Pollutant Clean Up and Removal;
 - Building Ordinance or Law Coverage B – Demolition Cost Coverage;
 - Building Ordinance or Law Coverage C – Increased Cost of Construction; and
 - "Electronic Data" Coverage.
3. With respect to the coverage provided by this endorsement, Coverage Extensions are additional insurance unless otherwise indicated within the applicable coverage extension. The **Additional Conditions, Coinsurance** of the **Building and Business Personal Property Coverage Form** does not apply to these Coverage Extensions.
 4. With respect to the coverage provided by this endorsement, if a specific Limit of Insurance applies to the Personal Property of Others shown in the Declarations, the Personal Property of Others coverage provided by this endorsement does not apply and does not provide any amount which is in addition, contributes or is in excess of any applicable Limit of Insurance shown in the Declarations.
 5. Coverage afforded the insured under this endorsement will be excess over any other valid and collectible insurance available to the insured, including any coverage endorsements to this policy.
 6. Regardless of the number of years this endorsement remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

I. AMENDMENTS TO DEDUCTIBLE

The following are added to **D. Deductible** of the **Building and Personal Property Coverage Form**:

Regardless of the amount of the Deductible shown in the Declarations, the most we will deduct from any loss or damage for Glass and Signs in any one occurrence is \$100.

No deductible applies to the following coverages:

- Accounts Receivable;
- Computer Fraud;
- Damage to Rented Buildings And Equipment – Theft Coverage;
- "Electronic Data";
- "Employee" Theft;
- Employee Tools and Work Clothing;
- Fire Department Service Charge;
- Fire Extinguisher Systems Expense;
- FOB Shipments;
- "Forgery" Or Alteration;
- Loss Adjustment Expenses;
- "Money" and "Securities";
- Money Orders, "Counterfeit Money" and Travelers Checks;
- Outdoor Property;
- Reward Payment;
- Unauthorized Use Of Business Debit, Credit or Other Transaction Cards; and
- "Valuable Papers and Records" (other than "electronic data").

In the event that loss or damage in any one occurrence involves two or more coverages provided by your policy, including coverage provided by this endorsement, we will apply only one deductible which shall be the largest applicable deductible. However, the deductibles applicable to E-commerce Limited Coverage, Glass and Signs and Lock and Key Replacement shall be applied independently and in addition to other applicable deductibles.

J. LOSS CONDITIONS

E. Loss Conditions is amended as follows:

1. Paragraph **4.b.** is deleted and replaced with the following:
 - b.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the **Building Ordinance or Law Coverage** under **E. AMENDMENTS TO ADDITIONAL COVERAGES**, of **SECTION I – CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM** as included in this endorsement.
2. The following is added:
 - 8. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

K. AMENDMENTS TO OPTIONAL COVERAGES

The following amends **G. Optional Coverages** of the **Building and Personal Property Coverage Form**:

1. Replacement Cost Valuation applies to the coverage provided by your policy, except as amended in the specific Additional Coverage, Coverage Extension, or Valuation provisions of this endorsement. Therefore, Optional Coverage **G.3. Replacement Cost** does not apply.
2. As respects the coverage provided by this endorsement, **G.4. Extension of Replacement Cost To Personal Property Of Others** of the **Building and Personal Property Coverage Form** applies, unless a different valuation is specifically stated in the Additional Coverage or Coverage Extension to be in effect.

SECTION II – AMENDMENTS TO THE CAUSES OF LOSS – SPECIAL FORM

A. Paragraph E. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria is deleted and replaced with the following:

E. "FUNGUS", WET ROT, DRY ROT AND BACTERIA LIMITED COVERAGE

1. **Conditions of Coverage:** The coverage described in Paragraphs **E.2.** and **E.6.** that follow apply only when the "fungus", wet or dry rot or bacteria are the result of:
 - (a)** A "specified cause of loss" other than fire or lightning; or
 - (b)** Flood, if the Flood Coverage Endorsement applies to the affected premises;that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
2. **Direct Damage Coverage:** We will pay for loss or damage by "fungus", wet or dry rot or bacteria to Covered Property at a premises described in the Declarations. As used in this Limited Coverage, the term loss or damage means:
 - (a)** Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - (b)** The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - (c)** The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. **Direct Damage Limit of Insurance:** The coverage described under **E.2.** of this Limited Coverage

above is limited to \$50,000. Regardless of the number of claims, this limit is the most we will pay for the total of all direct physical loss or damage arising out of all occurrences described in **E.1.** at any single location, which take place during any one policy period (starting with the beginning of the present policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$50,000, for all such occurrences at any single location, even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. **Limited Coverage:** The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property shown in the Declarations. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

Non-Duplication of Coverage

In no event will we pay under this Additional Coverage for loss or damage or any cost or expense to the same property under this Additional Coverage that is also payable under any form or endorsement attached to your policy providing duplicate coverage to the same property.

If a separate endorsement providing "Fungus", Wet Rot, Dry Rot And Bacteria Coverage is attached to your policy, the coverage provided by such endorsement supersedes the coverage provided by this Limited Coverage and the Limit of Insurance provided by such separate endorsement will apply as the total Limit of Insurance provided for all losses, claims or expenses payable for "Fungus", Wet Rot, Dry Rot And Bacteria Coverage provided by your policy. In this event, the "Fungus", Wet Rot, Dry Rot And Bacteria Limited Coverage provided by this endorsement and the Limit of Insurance is not in addition to any Limit of Insurance for "Fungus", Wet Rot, Dry Rot And Bacteria Coverage provided by any other form or endorsement.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraphs **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) or **D. Additional Coverage – Collapse of the Causes Of Loss – Special Form.**
6. **Business Income and Extra Expense Coverage:** The following, **E.6.(a)** or **E.6.(b)**, apply only if **Business Income** and/or **Extra Expense** Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage provisions.

If we make payment under **E.2.** above, and:

- (a) If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to **30 days**. The days need not be consecutive.

- B. The following Additional Coverage is added:

ADDITIONAL COVERAGE - E-COMMERCE LIMITED COVERAGE

1. As used in this Additional Coverage:
- a. The business of e-commerce and e-commerce activity mean commerce conducted via the Internet or other computer based interactive communications network. This includes business-to-business commerce conducted in that manner.
 - b. Loss or damage to "electronic data" means destruction or corruption of "electronic data".
 - c. The term employee includes a leased or temporary employee.

- d. The term contractor, which includes an employee or any agent of the contractor, means an entity that has a written agreement with you to inspect, design, install, test, maintain, repair or replace any part of your computer system including "electronic data".
- e. Reference to your "computers" or your computer system means those which are owned by you or licensed or leased to you.

2. "Electronic Data" Coverage

- a. "Electronic Data" Coverage under this Additional Coverage is limited to "electronic data" which is owned by you or licensed or leased to you, originates and resides in "computers" located in the Coverage Territory, and is used in the e-commerce activity of your business.
"Electronic Data" Coverage under this Additional Coverage does not include your "electronic data" that is licensed, leased or rented to others.
- b. We will pay for the cost to replace or restore "electronic data" which has suffered loss or damage by a Covered Cause of Loss as described in paragraph **B.4. E-commerce Limited Coverage Covered Causes Of Loss** below, subject to the valuation provisions in **B.2.c.** below.
- c. The Valuation Condition is replaced by the following with respect to the coverage provided for "Electronic Data" Coverage under this Additional Coverage:
 - (1) Loss or damage to "electronic data" will be valued at the cost of restoration or replacement, including the cost of data entry, re-programming and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data" or any proprietary or confidential information or intellectual property in any form. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.
 - (2) If you recover, from a licensor or lessor, for loss or damage to "electronic data", our loss payment to you will be reduced to the extent of such recovery.

3. Business Income and Extra Expense Coverage

The following apply only if Business Income and Extra Expense Coverage applies to the described premises, and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and Extra Expense Coverage provisions.

a. Coverage

We will pay for the actual loss of Business Income you sustain and/or Extra Expense you incur due to the necessary "suspension" of the e-commerce activity of your business for the applicable period of time specified under **B.3.b. Period Of Coverage** below. The "suspension" must be caused by:

- (1) A loss covered under **B.2. "Electronic Data" Coverage** of this Additional Coverage; or
- (2) Interruption in normal computer network service or function caused by a Covered Cause of Loss as described in paragraph **B.4. E-commerce Limited Coverage Covered Causes Of Loss** below.

Income or expense from outside the Coverage Territory, even if generated by or pertaining to the e-commerce activity of your business, is not covered under this Additional Coverage.

b. Period of Coverage

- (1) If the "suspension" of e-commerce activity is caused by a loss covered under **B.2. "Electronic Data" Coverage** of this Additional Coverage, then the period of coverage begins 72 hours after the time of such loss and ends on the earliest of:
 - (a) The time when e-commerce activity is resumed;
 - (b) The time when the "electronic data" is restored; or
 - (c) 90 days after the date of the loss covered under **B.2. "Electronic Data" Coverage** of this Additional Coverage.
- (2) If the "suspension" of e-commerce activity is caused solely by an interruption described in **3.a.(2)** above, then the period of coverage begins 72 hours after the service to your website is interrupted. The period of coverage ends on the earliest of:
 - (a) The time when your e-commerce activity is resumed;
 - (b) The time when service is restored to you; or

- (c) Two weeks after the website service interruption began.
- (3) The time periods expressed in **8.3.b.(1)** and **8.3.b.(2)** above (except for the 72 hour waiting period) apply to the coverage under **3. Business Income** and **Extra Expense Coverage** and are not affected by any provision in any form or endorsement relating to or modifying business income coverage.

c. Loss Determination

- (1) The amount of Business Income loss will be determined based on consideration of **c.(1)(a)** through **c.(1)(d)** below. However, the amount of loss will be reduced to the extent that the reduction in the volume of business from the affected e-commerce activity is offset by an increase in the volume of business from other channels of commerce.
 - (a) The Net Income of the business of e-commerce before the loss or damage or interruption in service or function occurred;
 - (b) The likely Net Income of the business of e-commerce if no loss or damage or interruption in service had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (c) The operating expenses, including payroll, necessary to resume e-commerce activity with the same quality of service that existed before the loss or damage or interruption in service or function; and
 - (d) Other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and deeds, liens and contracts.
- (2) The amount of Extra Expense will be determined based on:
 - (a) Necessary expenses that exceed the normal operating expenses that would have been incurred in the course of e-commerce activity during the period of coverage if no loss or damage or interruption in service or function had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of coverage, once e-commerce activity is resumed; and
 - (b) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred during the period of coverage.

d. Resumption Of E-commerce Activity

- (1) We will reduce the amount of your Business Income loss to the extent that you can resume e-commerce activity, in whole or in part, by using damaged or undamaged equipment or "electronic data" at the described premises or elsewhere.
- (2) We will reduce the amount of your Extra Expense loss to the extent that you can return e-commerce activity to normal and discontinue Extra Expense.
- (3) If you do not resume e-commerce activity, or do not do so as quickly as possible, we will pay based on the length of time it would have taken to resume such activity as quickly as possible.

4. E-Commerce Limited Coverage Covered Causes Of Loss

- a. The provisions of this Additional Coverage do not supersede or in any way affect the application of the Exclusion Of Certain Computer Related Losses found in paragraph **C.3.b. of Changes Under B. Exclusions** of the **Causes Of Loss – Special Form** of this endorsement.
- b. The **Causes Of Loss – Special Form**, by means of exclusions and limitations stated therein and all modifications stated in **4.b.** through **4.d.** of this Additional Coverage, provides the Covered Causes of Loss applicable to this Additional Coverage.
 - (1) The Utility Services Exclusion does not apply with respect to power or communications supply services, provided that there is an interruption in utility service which is caused by a "specified cause of loss" as defined in the **Causes Of Loss – Special Form**.
 - (2) The following exclusions are added. We will not pay for loss or damage caused by or resulting from:
 - (a) A virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But this

exclusion does not apply if your e-commerce activity is conducted via a computer system that is equipped with virus-scanning or anti-virus software. When this exclusion does not apply, then coverage also extends to shut-down of the computer system if the shut-down is undertaken in response to the detection of a virus or other incident by virus-scanning software, to mitigate or avoid attack, infiltration or infection of the system;

- (b) Unauthorized viewing, copying or use of "electronic data" (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;
- (c) Errors or omissions in programming or processing "electronic data";
- (d) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including "electronic data");
- (e) Manipulation of your computer system, including "electronic data", by an employee, volunteer worker or contractor, for the purpose of diverting "electronic data" or causing fraudulent or illegal transfer of any property;
- (f) Interruption in normal computer function or network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network. But this exclusion does not apply if such incident is caused by a virus, malicious code or similar instruction introduced into or enacted on a computer system or network;
- (g) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "electronic data" and the inability to access or properly manipulate the "electronic data";
- (h) Complete or substantial failure, disablement or shut-down of the entire Internet, regardless of the cause.
- (i) An "accident" which is covered, or which would have been covered if not for the exhaustion of the applicable Limit of Insurance, under any Equipment Breakdown coverage which is provided by endorsement to the **Building and Personal Property Coverage Form** and **Causes Of Loss – Special Form**.

- c. The Covered Causes of Loss include removal of "electronic data" from your system in an act of theft by someone other than an employee, volunteer worker or contractor. Removal means that the "electronic data" is no longer in your computer system. Removal does not mean viewing, copying or use of "electronic data" (or any proprietary or confidential information or intellectual property in any form). Coverage for removal does not include transfer of funds, securities or similar property which is designated in the Coverage Form as Property Not Covered, even if eliminated from Property Not Covered by endorsement.
- d. An endorsement which adds or eliminates a Covered Cause of Loss to or from the **Causes Of Loss – Special Form** also applies to this Additional Coverage unless such other endorsement contains a specific provision to the contrary or is made inapplicable to this endorsement via its Schedule or the Declarations. With respects to this Additional Coverage, a Covered Cause of Loss, however, does not include an "accident".

5. Other Provisions

a. General

This coverage is limited as described, and does not extend to or modify any coverage provided under any other form or endorsement in this policy.

b. Claim-Related Fees

We will not pay for costs, fees or other expenses you incur in establishing the amount of your claim.

c. Coinsurance

The Coinsurance Additional Condition of the **Building And Personal Property Coverage Form** does not apply to this Additional Coverage.

d. Limit Of Insurance

The most we will pay for the total of all covered loss, damage and/or expenses at all described premises under this Additional Coverage for "Electronic Data" Coverage and Business Income and Extra Expense Coverage is \$25,000 during any one policy period, regardless of the number of occurrences or computer systems involved.

If loss payment on the first occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss sustained in but not after that policy year. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

6. Deductible

A \$250 Deductible applies to loss covered under **B.2. "Electronic Data" Coverage**. We will not pay for loss in anyone occurrence until the amount of loss exceeds \$250. We will then pay the amount of loss in excess of \$250, subject to the available limit of the Limit of Insurance.

7. Coverage Territory

With respect to the coverage provided under this Additional Coverage, the following is added to **H. Policy Period, Coverage Territory** of the **Commercial Property Conditions**:

A computer virus or other incident that occurs on the Internet or other computer-based interactive communications network may originate anywhere in the world. However, even if an incident that originates outside the Coverage Territory results in coverage under this Additional Coverage, such coverage is limited to the Coverage Territory in accordance with the provisions of Paragraphs **2.a.** and **3.a.** of this Additional Coverage.

C. CHANGES UNDER B. EXCLUSIONS:

1. **B.1.a. Ordinance Or Law** does not apply to the extent that **Ordinance or Law** coverage(s) is provided by the **Building Ordinance or Law Coverage** or the **Ordinance or Law – Equipment Coverage of SECTION I – CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM** of this endorsement.
2. Paragraph **B.1.g.** under **B. EXCLUSIONS** of the **Causes Of Loss – Special Form** applies except to the extent that coverage is provided by **Water Back-Up and Sump Overflow Coverage** of this endorsement.
3. The following Exclusions are added:

a. Electrical Disturbance

We will not pay for loss or damage caused directly or indirectly by electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided under:

- (i) **A.4.f. "Electronic Data"** of the **Building And Business Personal Property Coverage Form** as amended by this endorsement; and
- (ii) **E-commerce – Limited Coverage** under **SECTION II** as provided by this endorsement;

However, we will pay for direct loss or damage caused by lightning.

b. Exclusion of Certain "Computer"-Related Losses

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

The failure, malfunction or inadequacy of:

- (1) Any of the following, whether belonging to any insured or to others:

- (a) "Computer" hardware, including microprocessors;
- (b) "Computer" application software;
- (c) "Computer" operating systems and related software;
- (d) "Computer" networks;
- (e) Microprocessors ("computer" chips) not part of any "computer" system; or
- (f) Any other computerized or electronic equipment or components; or

- (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **3.b.(1)** above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

However, if excluded loss or damage, as described in Paragraphs **3.b.(1)** or **3.b.(2)** above results in a "specified cause of loss" or an elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such "specified cause of loss" or elevator collision.

We will not pay for repair, replacement or modification of any items in Paragraphs **3.b.(1)** or **3.b.(2)** above to correct any deficiencies or change any features.

c. Computer Advice Or Consultation

We will not pay for loss or damage caused directly or indirectly by any advice, consultation, design, evaluation, inspection, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Exclusion **3.b.** above.

d. Installation, Testing or Repair

We will not pay for loss or damage caused directly or indirectly by errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data", electronic data processing media and records or electronic data processing equipment, including parts.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Part.

e. Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

D. CHANGES TO C. LIMITATIONS:

1. EXPANSION OF PREMISES BOUNDARY

As respects the coverage provided by this endorsement, paragraph **2.c.(1)** is deleted and replaced by the following:

(1) If the **Covered Property** is located on or within 1,000 feet of the described premises.

2. PATTERNS, DIES, MOLDS AND FORMS INCREASED LIMITS

Paragraph **3.c.** is deleted and replaced by the following:

c. \$50,000 for patterns, dies, molds and forms.

E. CHANGES TO F. ADDITIONAL COVERAGE EXTENSIONS – PROPERTY IN TRANSIT

1. Property In Transit – Expansion of Premises Boundary and Limits of Insurance

Paragraphs **a.** and **c.** of **1. Property In Transit** are deleted and replaced by the following:

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

c. The most we will pay for all loss or damage under this Extension is \$50,000 in any one occurrence.

2. The following are added to 1. Property In Transit:

d. FOB SHIPMENTS

We will also cover your Business Personal Property while it is in transit under this Additional Coverage Extension that is shipped:

(1) By any common carrier;

(2) Free on Board (FOB) if you cannot collect the loss from the consignee. However, we will pay only the amount of your interest in the property shipped on this basis.

The most we will pay for all loss or damage to Business Personal Property shipped by common carrier or on a FOB basis is \$20,000 in any one occurrence.

e. This coverage does not apply to direct physical loss of or damage to Covered Property or any loss, cost, or expense payable, or which would have been payable if not for the exhaustion of the applicable

Limit of Insurance, under **Refrigerated Property in Transit – Limited Coverage** as provided by this endorsement or **Property Off Premises** as replaced by this endorsement.

SECTION III- DEFINITIONS

For the purposes of the coverage provided by this endorsement, the following terms are defined as follows:

A. "Computer" means:

1. Your programmable electronic equipment that is used to store, retrieve and process "electronic data". It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and
2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as "electronic data" transmission. It does not include "electronic data" and media.

B. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data. This definition does not apply to your "stock" of prepackaged software.

C. "Finished Stock" means finished goods that are products manufactured by you and held in storage or for sale. However, "finished stock" does not include "stock" you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

D. "Market Value" means the price that an interested but not desperate buyer would be willing to pay and an interested but not desperate seller would be willing to accept on the open market assuming a reasonable period of time for an agreement to arise.

E. "Operations" means your business activities occurring at the described premises, or at any other location if your normal operations involve providing services to your clients at a job site or at premises not owned or rented by you.

F. "Perishable stock" means personal property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

G. "Valuable papers and records" means inscribed, printed or written:

1. Documents;
2. Manuscripts; and
3. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities" as defined in paragraphs I.2. and I.3. below.

H. For Purposes of Additional Coverages **Ordinance Or Law – Equipment Coverage; Spoilage "Perishable Stock" Coverage, and **E-commerce Limited Coverage**, the following terms are defined as follows:**

1. **"Accident" means a fortuitous event that causes direct physical damage to "covered equipment" resulting from:**
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. **"Covered equipment" means, unless otherwise specified in the Equipment Breakdown Schedule of Coverages, Covered Property:**

- a. that generates, transmits or utilizes energy, including, but not limited to, electronic communications and dataprocessing equipment; or
- b. which, during normal usage, operates under vacuum or pressure, other than the weight of its contents; or
- c. which is "production machinery".

But none of the following is "covered equipment":

- a. structure, foundation, cabinet, compartment or air supported structure or building;
- b. insulating or refractory material;
- c. sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- d. water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- e. "vehicle" or any equipment mounted on a "vehicle";
- f. satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- g. dragline, excavation or construction equipment; or
- h. equipment manufactured by you for sale.

- 3. **"Production machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machinery or apparatus. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

I. The following definitions apply to additional Crime & Fidelity coverages provided under this endorsement:

- 1. **"Occurrence(s)"** is a defined term in Section I of this endorsement only as respects the following coverages:

- a. As respects the coverage provided under this endorsement for **Money And Securities** only, "occurrence" means all loss caused by one or more persons and involving a single act or series of related acts.
- b. As respects the coverage provided under this endorsement for **Money Orders, Counterfeit Money And Travelers Checks** only, "occurrence" means:
 - (i) An act or series of related acts involving one or more persons; or
 - (ii) An act or event, or a series of related acts or events not involving any person.
- c. As respects the coverage provided under this endorsement for **Forgery Or Alteration** only, "occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
- d. As respects the coverage provided under **Employee Theft** only, "occurrence" means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

- 2. With respects to **Additional Coverages Money and Securities; Computer Fraud; Money Orders, Counterfeit Money And Travelers Checks; Forgery or Alterations, and Employee Theft**, the following definition applies:

- a. **"Money"** means:
 - (1) Currency, coins and bank notes in current use and having a face value; and
 - (2) Travelers checks, register checks and money orders held for sale to the public.
- b. **"Theft"** means the unlawful taking of property to the deprivation of the Insured.

- 3. With respects to **Additional Coverages Money and Securities; Computer Fraud; and Employee Theft**, the following definitions apply:

- a. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - (1) Food stamps, lottery tickets, redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- b. **"Other property"** means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, "electronic data" or any property specifically excluded under this insurance.

c. **"Employee(s)"** means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Who you compensate directly by salary, wages or commissions; and
- (c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee" as defined in Paragraph c.(1), who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph c.(2);

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
- (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or

(8) Any of your "managers", directors or trustees while:

- (a) Performing acts within the scope of the usual duties of an "employee"; or
- (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in the definition of "Employee(s)" above.

4. With respects to Additional Coverages **Money and Securities** and **Employee Theft** the following definitions apply:

- a. **"Manager"** means a person serving in a directorial capacity for a limited liability company.
- b. **"Member"** means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

5. With respects to Additional Coverage **Money and Securities** the following definitions apply:

- a. **"Robbery"** means the unlawful taking of property from the care and custody of a person by one who has:
 - (1) Caused or threatened to cause that person bodily harm; or
 - (2) Committed an obviously unlawful act witnessed by that person.
- b. **"Banking premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- c. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

6. With respects to Additional Coverages **Money and Securities** and **Computer Fraud** the following definitions apply:

"Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".

7. With respects to Additional Coverage **Money Orders, Counterfeit Money And Travelers Checks**, the following definition applies:

"Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

8. With respects to Additional Coverage **Forgery Or Alteration**, the following definition applies:

"Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.

9. With respects to Additional Coverage **Employee Theft (ERISA)**, the following definitions apply:

a. **"Funds"** means "money" and "securities".

b. **"Employee benefit plan(s)"** means any welfare or pension benefit plan provided by the insured for the benefit of the insured's employees that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

c. **"Discover" or "discovered"** means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which if true would constitute a loss under this insurance.

10. With respects to Additional Coverage **Employee Dishonesty** the following definition applies:

"Employee Dishonesty" means only dishonest act(s) committed by an "employee" whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

1. Cause you to sustain loss; and also
2. Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
 - (1) The "employee"; or
 - (2) Any person or organization intended by the "employee" to receive that benefit.

11. With respects to Additional Coverage **Extra Expense** the following definition applies:

"Period of restoration" means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality; or
 - (2) The date that business is resumed at a new permanent location.

"Period of Restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

All other policy terms, conditions, definitions and exclusions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONVERSION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Limits of Insurance	\$	Each "Conversion" Limit
	\$	"Conversion" Aggregate Limit
Deductible	\$	Each "Conversion" Deductible

A. The following is added to **Section I – Coverages** of the Coverage Form:

CONVERSION COVERAGE

1. Coverage

- a. We will pay 80% of those sums that the insured becomes legally obligated to pay as damages because of a "conversion" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "conversion" and settle any claim or "suit" that may result, provided, however, that:

- (1) The amount we will pay for damages shall be limited as described below in **Section C.** of this endorsement; and
- (2) Our right and duty to defend shall end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Section I – Coverages, Supplementary Payments – Coverages A. and B.** of the Coverage Form to which this endorsement is attached.

- b. This insurance only applies to a "conversion" that:

- (1) Takes place in the "coverage territory"; and
- (2) Occurs during the policy period.

2. Exclusions

The insurance provided by this endorsement does not apply to:

- a. Damages arising out of a:

- (1) Dishonest;
- (2) Fraudulent;
- (3) Criminal; or
- (4) Malicious

act, error or omission committed by an insured, whether acting alone or in collusion with others;

- b. "Bodily injury" or "property damage";

- c. Damages arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time and

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”; or
- (2) Claim or “suit” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of “pollutants”.

For the purpose of this endorsement, “pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- d. Damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of such contract or agreement.

- e. Damages because of “conversion” directly or indirectly out of:

- (1) Any actual or alleged failure, malfunction or inadequacy of any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or
- (f) Any other computerized or electronic equipment or components; or

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Subparagraph **A.2.e.(1)** of this endorsement.

B. Section I – Coverages, Supplementary Payments – Coverages A. and B. of the Coverage Form also apply to “Conversion” Coverage provided by this endorsement.

C. For the purpose of the “Conversion” Coverage provided by this endorsement, **Section III – Limits of Insurance** is amended as follows:

- 1. Paragraph **2.** is replaced by the following:

- 2. The General Liability Aggregate Limit is the most we will pay for the sum of:

- a. Medical Expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”;
- c. Damages under Coverage **B**; and
- d. Damages arising from “conversions”.

- 2. The following Paragraphs are added:

- 8. Subject to Paragraph **1.** above, the Each “Conversion” Limit shown in the Schedule is the most we will pay for all damages because of a “conversion” to which this insurance applies.

- 9. The “Conversion” Aggregate Limit is the most we will pay for all damages because of all “conversions”.

10. Subject to 1. above (the General Liability Aggregate Limit shown in the Declarations) and 9. above (the "Conversion" Aggregate Limit), the Each "Conversion" Limit is the most we will pay for all damages arising out of any one "conversion".

D. For the insurance provided by this endorsement, **Section IV – Commercial General Liability Conditions** is amended as follows:

1. Paragraph 2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence", "conversion" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence", "conversion", or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence", "conversion" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim, "conversion" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim, "conversion" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim, "conversion" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

2. Paragraph 4. **Other Insurance** is amended to also apply to "Conversion" Coverage provided by this endorsement.

3. The following Condition is added:

Reporting Requirements

As a condition of this insurance, you are required to maintain accurate books, records and accounts in the following manner:

- a. A set of books showing a complete record of the business transacted including all purchases and sales for both cash and credit over \$10,000;
- b. All such books, records and accounts shall be preserved for not less than one year following the termination of the policy and any renewal thereof; and
- c. We shall have access to your books and records of the transactions.

E. For the purpose of this endorsement, the following definition is added to **Section V – Definitions**:

"Conversion" means the acquisition of stock in trade from a seller who did not have legal title to the same without your knowledge

- F. For the purpose of this endorsement, the definition of “suit” in Section **V – Definitions** is amended to include the following:

“Suit” means a civil proceeding in a court of record in which damages are alleged because of “conversion” to which this insurance applies.

- G. For the purpose of this endorsement, the following Deductible provision is added:

“Conversion” Deductible

1. The terms of this policy of insurance, including those with respect to:
 - a. Our right and duty to defend any “suits” seeking “conversion” damages; and
 - b. Your duties in the event of an “occurrence”, offense, “conversion”, claim or “suit”apply irrespective of the application of the deductible amount.
2. We may pay any part or all of the deductible and the twenty percent (20%) of the damages that the insured is obligated to pay to effect settlement of any claim or “suit” and, upon notification of such payment action taken, you shall promptly reimburse us for such amounts as has been paid by us.
3. A series of “conversions” involving one claimant will be considered to be a single “conversion” for the purposes of applying:
 - a. The Limits of Insurance;
 - b. The Each “Conversion” Deductible amount stated in the Schedule; and
 - c. The twenty percent (20%) portion of the damages in excess of the Each “Conversion” Deductible that the insured is obligated to pay.

All other policy terms, conditions, definitions and exclusions remain unchanged.

State:	District of Columbia	Filing Company:	Star Insurance Company
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
Product Name:	Star-ADAR-202001-CMP Update		
Project Name/Number:	Star-ADAR-202001-CMP Update /Star-ADAR-202001-CMP Update		

Supporting Document Schedules

Bypassed - Item:	Readability Certificate
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Copy of Trust Agreement
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Expedited SERFF Filing Transmittal Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	